



December 22, 2020

**To: All Licensed Electricity Distributors
All Licensed Unit Sub-Meter Providers
All Licensed Electricity Retailers
Independent Electricity System Operator (IESO)
All Other Interested Parties**

Re: Changes to Regulated Price Plan Prices for January 1 to January 28, 2021

In accordance with amendments made to O. Reg. 95/05 (Classes of Consumers and Determination of Rates) under the *Ontario Energy Board Act, 1998*, the Ontario Energy Board (OEB) [reset](#) Regulated Price Plan (RPP) prices today for the period from January 1 to January 28, 2021. During this period, all RPP consumers, whether they are on time-of-use (TOU) or tiered pricing, will pay a fixed price of 8.5 ¢/kWh for all the electricity they consume, regardless of the time of day or the total volume consumed. On January 29, 2021, RPP consumers will revert to paying the prices set by the OEB on [December 15, 2020](#).

Similar to guidance provided in respect of government electricity pricing relief initiatives earlier this year, including on [March 24, 2020](#), the OEB is issuing this letter to provide direction to regulated entities on the implementation of the temporary 8.5 ¢/kWh fixed price. The letter also introduces a requirement for electricity distributors to report to the OEB on implementation by January 4, 2021.

Electricity Distributors

Billing

The 8.5 ¢/kWh price applies to electricity consumed from the beginning of the day on January 1, 2021 until the end of the day on January 28, 2021.

For their RPP consumers on TOU pricing, distributors must take steps to ensure that invoices reflect 8.5 ¢/kWh as the price for each of the on-peak, mid-peak and off-peak periods for electricity consumed from January 1 to January 28. The bill must still show as separate line items the volume of electricity consumed in each TOU period (off-peak, mid-peak and on-peak), but for each period the price will be the same (8.5 ¢/kWh). For many consumers, it will be necessary to issue bills with six line items. For instance, a bill covering the period December 15, 2020 to January 14, 2021 would show three line items at the TOU prices in effect from December 15 to December 31, 2020, and three line items at the TOU prices in effect from January 1 to January 14, 2021 (8.5 ¢/kWh).

Similarly, for consumers on tiered pricing, invoices must still display tier 1 and tier 2 as separate line items, but 8.5 ¢/kWh will be the price for both of them for consumption during the period from January 1 to January 28, 2021. For bills that include consumption both during the period the 8.5 ¢/kWh fixed price is in effect and before or after that period, the bill would show four line items: for example, a bill covering the period December 15, 2020 to January 14, 2021 would show two line items at the tiered prices in effect from December 15 to December 31, 2020, and another two line items at the tiered prices in effect from January 1 to January 14, 2021 (both of which would be 8.5 ¢/kWh). There is no change to the tier threshold for residential customers on January 1, 2021.¹

If a distributor issues a bill to an affected customer before the distributor has implemented the 8.5 ¢/kWh fixed price, it must make the necessary adjustment on the following bill. Distributors may hold off on sending any bills to affected customers until they can implement the price change.

Notice to Customers

Under section 3.8.1 of the Standard Supply Service Code, distributors are required to post a notice of an RPP price change on their website at least 15 days before the change takes effect, in accordance with any directions that may be issued by the OEB.

The 15-day deadline cannot be met in the circumstances, and the OEB is therefore directing distributors to post a notice as soon as reasonably possible. Distributors should also make their best efforts to inform customers by other mechanisms, such as social media and e-mail, in order to reduce the number of customer enquiries. To provide support, the OEB has prepared frequently asked questions, suggested website copy and graphics for digital channels to assist distributors in communicating the fixed price to customers. These materials are available in a zip file through [this link](#). The OEB

¹ The tier threshold for non-residential RPP consumers is the same all year round.

will also update its online bill calculator on January 1, 2021 should customers wish to calculate their bill under the new 8.5 ¢/kWh price.

“Electing Spot Consumers” and Customers on Retail Contracts

The temporary 8.5 ¢/kWh fixed price does not apply to “electing spot consumers” within the meaning of the Standard Supply Service Code (i.e., customers who have opted out of the RPP in favour of market-based pricing), or to customers who have a retail contract.

Customer Choice Initiative

The introduction of the temporary 8.5 ¢/kWh fixed price will not affect the Customer Choice Initiative, under which RPP consumers with eligible meters have been allowed since November 1, 2020 to switch between TOU and tiered pricing. Distributors must continue to process any customer election forms during the period that the fixed price is in effect.

Settlement with IESO

The OEB will communicate further with distributors and the IESO regarding settlement matters as may be needed.

Although the temporary price is expected to result in lower total RPP revenues collected by the IESO, the OEB understands that the Government intends for the financial impact of the price change to be covered by provincial revenues. As a result, distributors will not hold any variances in their retail settlement variance accounts associated with the 8.5 ¢/kWh fixed price.

Cost Recovery

The OEB recognizes that there may be costs to distributors associated with implementing the temporary 8.5 ¢/kWh fixed price. These costs may be tracked in the generic deferral account that has been established to record impacts arising from the COVID-19 pandemic. As distributors will be aware, the OEB is currently consulting with stakeholders on the use and disposition of the account (EB-2020-0133).

Reporting Requirement

No later than **January 4, 2021**, every licensed, rate-regulated electricity distributor must confirm with the OEB that it has adapted its billing system to reflect the temporary 8.5

¢/kWh fixed price, or if it has not yet done so, advise when it expects to have done so. The e-mail should be sent to IndustryRelations@oeb.ca with the subject line "Report on Implementation of RPP Prices for January 1 to 28".

Unit Sub-Meter Providers (USMPs)

USMPs are reminded that they must pass on the savings resulting from the 8.5 ¢/kWh fixed price to their customers. Where a building served by a USMP is on RPP prices, the USMP must ensure that the new price that will be reflected on the bulk bill from the distributor is flowed through to the USMP's customers.

Retailers

The 8.5 ¢/kWh fixed price does not apply to consumers who have a contract with an electricity retailer. The OEB does not intend to update the mandatory Price Comparisons that retailers are required to provide to prospective and renewing low-volume customers to reflect the 8.5 ¢/kWh fixed price. However, the OEB would consider it an unfair practice within the meaning of the *Energy Consumer Protection Act, 2010* if a retailer did not explain the 8.5 ¢/kWh fixed price on their websites and in any other communications with low-volume customers prior to entering into a contract while the temporary pricing is in effect. To that end, electricity retailers may also adapt the OEB's messaging referred to above for their own use.

Closing

Any questions relating to this letter should be directed to the OEB's Industry Relations Enquiry e-mail at IndustryRelations@oeb.ca. Please include "RPP Prices for January 1 to 28" in the subject line.

Yours truly,

Original Signed By

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